United States Department of Agriculture
Cooperative State Research, Education, and Extension Service,
Office of the Administrator

Self-Review for 2003/2004
Portfolio Review Expert Panel

Portfolio 1.1:
Agricultural Markets and Trade

Supporting Objective 1.1: Provide Information, Knowledge, and Education to Help Expand Markets and Reduce Trade Barriers

CSREES *Goal 1: Enhance Agricultural Opportunities for Agricultural Producers*

For the period 1998-2004

2003/2004 INTERNAL REVIEW PORTFOLIO: STRATEGIC OBJECTIVE 1.1

Agricultural Markets and Trade

(Response to External Review Panel Recommendations from July 2004

and

Progress Report)

February, 2006

CSREES Portfolio 1.1 – Agricultural Markets and Trade

2005 Internal Review
Economic and Community Systems
and Competitive Programs

I. Background

Standard economic theory studies mainly how households and firms interact in markets within the context of a pricing system. One way of describing this interaction is to regard the economic system as consisting of a very large number of voluntary exchanges of property-rights. The remarkable property with this system-with its billions of daily transactions or exchanges-is that it works and is coordinated in a spontaneous way. All individuals as members of households or of firms act mainly in their self-interest. Nevertheless the outcome of the whole system is usually in accordance with the "general interest". The understanding of the market system with its spontaneous coordination and sometimes with failures of coordination such as unemployment, inflation, or environmental problems - has been the object of the economists' endeavor since the time of Adam Smith (from Ingemar Ståhl, Swedish Royal Academy of Sciences http://nobelprize.org/economics/laureates/1986/presentation-speech.html).

Successful marketing – getting raw and finished products from producers to domestic and international consumers, is a complex chain of activities crucial to the economic survival of farms and agribusiness. Cooperative State Research, Education, and Extension Service funds and supports higher education, research, and extension activities related to marketing and domestic and global trade. In addition, the Agency partners with public and private sector organizations to promote successful marketing and trade methods and strategies including alternative markets, products, policies, and institutions.

A core goal of CSREES has always been to enhance economic opportunities for agricultural producers. To accomplish this, CSREES assists the land-grant universities to conduct research, education, and extension activities in the area of agricultural marketing. Several disciplines cross into the vast area of marketing, including risk management, consumer economics, entrepreneurship, nutrition, sustainable agriculture, and other agricultural and social sciences. CSREES works in all of these areas to increase awareness of agricultural marketing and its many opportunities. CSREES supports this program in many ways: providing information, knowledge, and education to help expand markets and reduce trade barriers; supporting international economic development and trade capacity building through research and technical assistance; providing the science-based knowledge and technologies to generate new or improved high-quality products and process to expand markets for the agricultural sector; providing science-based information, knowledge, and education to facilitate risk management by farmers and ranchers; and promoting an efficient and economically viable agricultural production system.

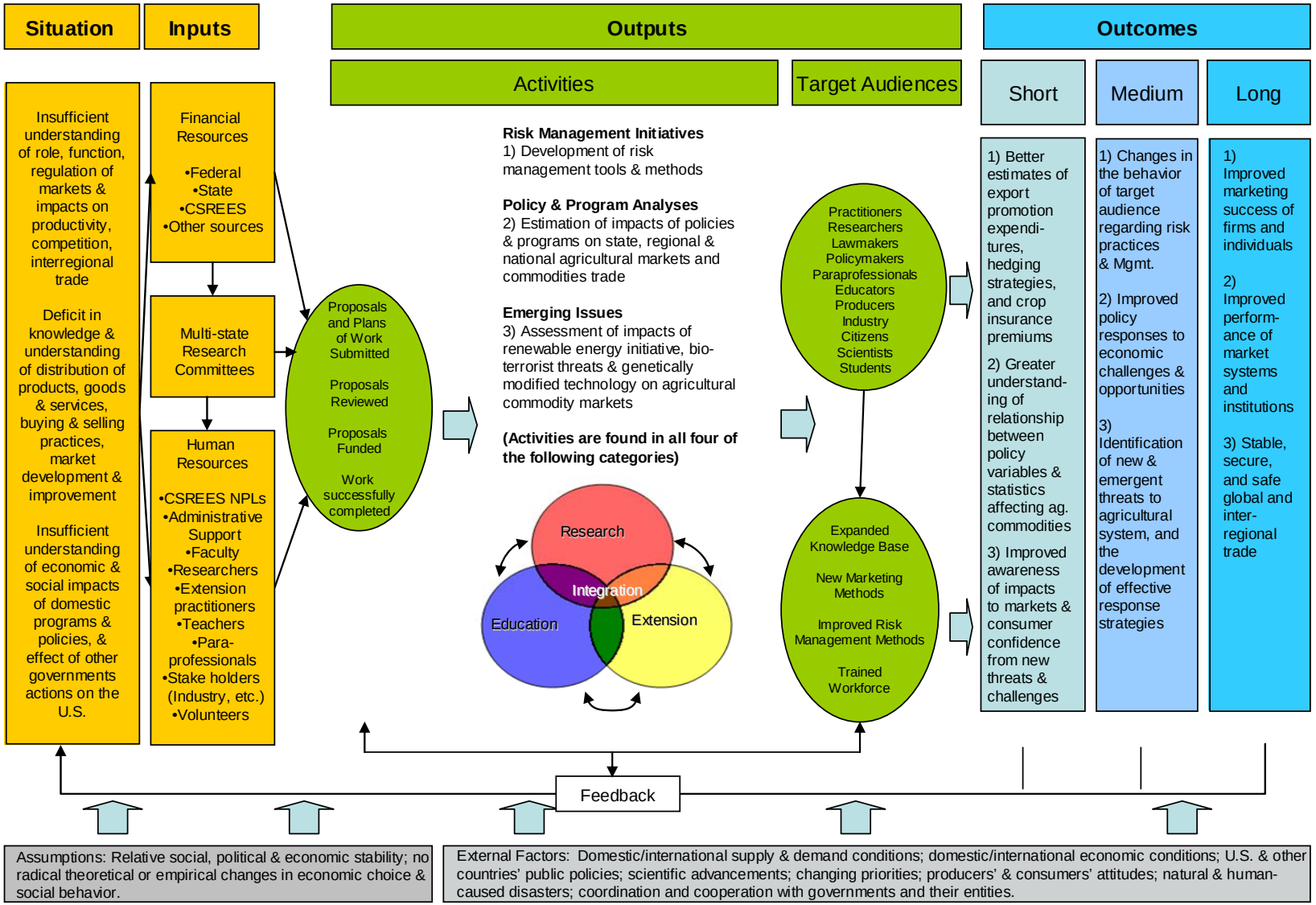
CSREES provides a number of programs to supports these objectives, but the Agricultural Marketing program plays a significant role in providing relevant impacts, as does the Markets and Trade competitive grant program within the National Research Initiative, and the Marketing and Trade competitive program within Small Business Innovation Research.

Agriculture – in the broadest sense of the term – is in the midst of a major revolution that will change how food and fiber are produced, processed, distributed, and marketed in the U.S. and abroad. This has a significant impact on farm and ranch families and firms, agribusinesses, and rural communities, requiring them to make major strategic decisions to be successful.

Marketing has become a crucial element of contemporary CSREES and land-grant university work.

Much of this revolution is being played out in the marketplace. Several hundred economists nationwide do basic and applied research, undergraduate and graduate teaching, and extension and outreach in all aspects of marketing and risk management.

Portfolio 1.1 – Markets and Trade:
Role/functions of markets & their regulation (KA 603); Marketing methods/practices at the microeconomic level (KA 604);
Economic/social impacts of domestic programs & policies (KA 610)



The Portfolio Review Panel convened in Washington, DC July 20-22, 2004. The Panel was charged with evaluating the effectiveness of the above portfolios and making recommendations to CSREES Administrator Hefferan and to National Program Leaders (NPLs).

The Panel considered the gamut of research, teaching and extension activities of the CSREES/ Land-Grant partnership and CSREES' leadership role, and developed an assessment on the basis of several criteria designed to meet OMB's overall research and development criteria of "relevance," "quality", and "performance".

The Panel recognizes the importance of CSREES' leadership in the management of research, teaching, and extension work in the three portfolios (1.1, 1.2, and 1.4). Comments and recommendations to the Administrator and NPLs are provided to enhance the Agency's management of the portfolios. After making overall comments and recommendations, the Panel reports on the relevance, quality, and performance of each portfolio.

II. Panel General Findings and Recommendations

A. Staffing and Leadership

The Panel urges the Administrator of CSREES to address the deficit of leadership in the area of economics. The number of NPLs trained in economics has declined precipitously[1] (from 5 to 2) over the last five years, and the Economics and Community Systems unit has been without effective Deputy Administrator leadership for over 2 years. With this many vacancies in key leadership positions, the CSREES/Land-Grant partnership is not working as well as it should.

The leadership deficit affects the relevance, quality and performance of portfolios. The most notable result is the lack of strategic thinking and planning for a comprehensive program. The Panel is concerned about the approach of chasing or receiving funds, and accompanying administrative requirements, from other agencies, such as those that support risk management education, trade assistance adjustment, and development assistance activities, when they don't appear to be part of a plan to achieve the Agency's strategic objectives. These "pass-through" funds demand and receive scarce CSREES leadership resources that might need to be used in other ways.

The leadership deficit in economics affects the relevance, quality, and performance of CSREES in a more general way because economists are not present to offer their systems thinking and interdisciplinary approaches to a wide range of societal issues being addressed by the Agency. Economists bring an understanding of policy alternatives and policy analysis vital to many issues being addressed by all program units and all CSREES strategic goals.

The Panel is concerned that all policy work (policy analysis, public policy education, etc.) is reported only in the Problem Areas (now Knowledge Areas) in Portfolio 1.1 (PA 610) and Portfolio 1.2 (PA 611), Strategic Goal 1. Local, state, national, and international laws and regulations have significant impact on the portfolios that support increasing economic opportunities and improving quality of life in rural America (Strategic Goal 2), enhancing protection and safety of the Nation's food supply (Strategic Goal 3), improving the Nation's nutrition and health (Strategic Goal 4), and protecting and enhancing the Nation's natural resource base and environment (Strategic Goal 5). By gathering all policy work into two portfolios in Strategic Goal 1, too little attention is given to the impact of policy alternatives in all CSREES program areas. The Panel recommends the creation of additional PAs to capture these critical applications of policy work.

The Panel commends the CSREES engineering group for organizing and conducting a strategic planning workshop on nanotechnology to develop a roadmap for new research, teaching, and extension actions. Similar workshops are needed in other areas, especially in Portfolios 1.1 and 1.2.

B. Reporting Progress and Results

CSREES needs to improve its system for capturing and reporting outputs and impacts of research, teaching and extension. It needs to align reporting requirements with the portfolio management process and the criteria established by OMB. The ability of the Panel to make informed judgments about relevance, quality, and performance of each portfolio was limited by the information available for review. An improved system is needed to report benefits of CSREES/Land-Grant programs not only to OMB, but also to the System's many other stakeholders.

[1] As of September, 2005, CSREES employed seven economists: Dr. Dan Kugler, Deputy Administrator, Natural Resources and Environment, Drs. Mark Bailey, Fen Hunt and JH Bahn, Economics and Community Systems, Dr. Siva Sureshwaran, Competitive Programs, Dr. Bruce McWilliams, Planning and Accountability, and Mr. Jason Hitchcock, Information Systems and Technology Management.

The Current Research Information System (CRIS) needs to be improved to capture more useful information about research being conducted, and expanded to capture teaching and extension activities. There is a need to capture the synergy of research, teaching, and extension working together to address important societal concerns. Significant progress towards the government-wide federal access and reporting initiative called "One Solution," as well as the new efforts in "eXtension" will facilitate these improvements in accountability. Changes to the CRIS reporting system will be incorporated in One Solution, so changes specific to CRIS have been temporarily postponed.

Individual Panel members had suggestions for improving the system, such as identifying common performance indicators and criteria for measuring outcomes/impacts, using more explicit templates for inputting information, convincing faculty of the importance of the system, withholding a portion of grant funds until CSREES is satisfied that deliverables have been completed and reports filed, and capturing impacts after the work is completed. However, the total plan for improving the system needs to be fleshed out by a USDA/university task force.

C. Enhancing Quality

CSREES needs to work closely with land-grant universities to assure the highest quality research and education, communicate its strength within the scientific community, and revitalize the land-grant mission of high quality service to the Nation.

Despite the fact that over 250 studies by government, land-grant and non-land-grant institutions have estimated consistently high levels of return on the public investment in agricultural research and extension (http://www.ifpri.org/pubs/abstract/113/ab113.pdf) agricultural science is not well respected in at least some segments of the scientific community.

Collaboration with other funding agencies is critical at this juncture for a variety of reasons, such as quality assurance, maximizing returns to public investment in research and education, and solving complex social problems. Recent CSREES actions to establish collaborative programs with National Science Foundation, National Institutes of Health, National Aeronautics and Space Agency, and other science agencies are commendable and need to be expanded to include other areas, such as those involving economics and engineering. Work on collaborative efforts should be included in the position descriptions for NPLs, including new NPLs in economics. The collaborative programs should include CSREES as a full partner in developing and executing the programs, not just as a conduit for pass-through funding.

The National Research Initiative (NRI) should set aside a portion of its funds (perhaps 10 percent) to address critical emerging issues, while allowing NRI to continue funding its ongoing lines of research. Proposals submitted for critical emerging issues could be interdisciplinary and multifunctional (research-teaching-extension).

The term "core funding" should be used instead of "formula funding." The latter is perceived as an entitlement program similar to USDA's entitlement programs for farmers and low income consumers. Other federal science agencies have core funding but do not receive criticism like agriculture does. Core funding is an important part of the total CSREES/Land-Grant portfolio of funds that gives the system stability and agility to address a wide variety of existing and emerging issues. Research, teaching, and extension activities are important dimensions of the portfolio, enabling the System to create new knowledge, increase understanding, and improve decision making.

CSREES needs to improve post-award management. While the Panel does not perceive non-performance and under-performance to be a problem, there is evidence that some projects are not completed in a timely manner. The perception that some recipients are not held strictly accountable for grants and core funding damages the credibility of the USDA/Land-Grant System.

To achieve greater recognition for its contributions to research, teaching and extension, CSREES needs to require that a specific citation be used on all published materials (both hard copy and electronic copy).

III. CSREES Responses to Panel Recommendations

A. Review Panel General Comments and Recommendations, and CSREES Responses

The Panel urges the Administrator of CSREES to address the deficit of leadership in the area of economics.

Response

CSREES Administrator Dr. Colien Hefferan appointed Dr. Franklin Boteler as Deputy Administrator for Economic & Community Systems in April 2005, and Dr. Henry "JH" Bahn was assigned duties as National Program Leader for Markets and Trade[2] in May 2005. Prior to that time virtually all of the economics related work in the Agency was led by Dr. Mark Bailey. The Marketing and Trade program of the Small Business Innovation Research is administered by Siva Sureshwaran, who holds a Ph.D. in agricultural economics, while the Markets and Trade program of the National Research Initiative is directed by Patricia Hipple, whose Ph.D. is in Rural Sociology.

An increasing number of CSREES social scientists are now serving on National Research Initiative Request For Applications Teams in all focal areas. Approximately 15 Agricultural Economics department Comprehensive Reviews were requested between 2003 and 2005. Another four are scheduled for 2006. CSREES economists serve as representatives to economics and policy related Multi-state Research Committees, regional economics committees, the Experiment Station Committee on Organization and Policy (ESCOP) Social Science Committee (Dr. Frank Boteler, ECS Deputy Administrator, and Dr. Sally Maggard are CSREES liaisons), Council on Food and Resource Economics (Dr. Mark Bailey is the CSREES liaison), and National Association of Agricultural Economics Administrators (Dr. Bailey is liaison). A new Social Science Working Group comprised of all agency Agricultural Economists, Sociologists, Family and Consumer Scientists, and other Social Scientists has been formed in 2005 and will serve as an advisory group to program design and development of requests for application for competitive programs, not only in the immediate areas of markets and trade, but for all programs in the National Research Initiative, Small Business Innovation Research, SERD, and beyond.

In addition, The Science for Sustainability Working Group which was also made up of a number of CSREES social scientists, conducted a strategic planning workshop in 2004 to identify directions for research and integrated activities related to economic, social, and environmental sustainability for the design of CSREES competitive programs.

ECS has increased CSREES presence in the American Agricultural Economics Association and regional agricultural and resource economics associations. This past year Dr. Fen Hunt prepared and staffed a display at the American Agricultural Economics Association meeting describing CSREES funding opportunities, and each year Dr. Bailey makes several presentations on the granting process. Likewise, Drs. Sureshwaran and Hipple give numerous presentations on competitive program funding opportunities for markets, trade, and economics. The Agency has

[2] Although the National Research Initiative Markets and Trade program and the Small Business Innovation Research Markets and Trade program are administered through the CSREES Competitive Programs unit rather than the Economic and Community Systems unit, the title "National Program Leader for Markets and Trade" for the ECS NPL was chosen to accentuate the synergy between the two units, improve intra-agency communication, and to enhance planning and post-award management for economics and policy related issues.

improved its linkages with USDA Economic Research Service, including a 'visiting scholar' assignment in the Rural Economy Branch and the Markets, Trade and Economics Division.

"Pass-through" funds demand and receive scarce CSREES leadership resources that might need to be used in other ways.

Response

Financial pass-through funds are limited in Economic and Community Systems, currently these include Risk Management Education (USDA Risk Management Agency) and the Trade Adjustment Act (USDA Foreign Agricultural Service). Dr. Mark Bailey coordinates both programs.

The Panel is concerned that all policy work (policy analysis, public policy education, etc.) is reported only in the Problem Areas (PAs) in Portfolio 1.1 (PA 610) and Portfolio 1.2 (PA 611) (Strategic Goal 1). Local, state, national, and international laws and regulations have a significant impact on the portfolios that support increasing economic opportunities and improving quality of life in rural America (Strategic Goal 2), enhancing protection and safety of the Nation's food supply (Strategic Goal 3), improving the Nation's nutrition and health (Strategic Goal 4), protecting and enhancing the Nation's natural resource base and environment (Strategic Goal 5). By gathering all policy work into two portfolios in Strategic Goal 1, too little attention is given to the impact of policy alternatives in all CSREES program areas. The Panel recommends the creation of additional PAs to capture these critical applications of policy work.

Response

The previously open Economic and Community Systems position for a National Program Leader for Agricultural Policy is currently unfilled due to budget uncertainty, and ongoing consideration as to how to best configure the position to serve the broader CSREES mission. All Agency public policy work is currently handled by Dr. Maurice Dorsey, National Program Leader for Public Policy. Dr. Dorsey also helps to plan and coordinate the annual National Public Policy Education Committee Meeting sponsored by the Farm Foundation.

Policy analysis, and the presentation of policy alternatives, is a key feature of the rural development program within the National Research Initiative. Rural Development addresses USDA/CSREES strategic goal # 2, the increased economic opportunities and improved quality of life in rural American. The recent incorporation of human dimensions questions in the Human Nutrition and Obesity program presents the potential for policy analysis to address the strategic goal (# 4) of improving of the Nation's nutrition and health. And in the planning process for FY2007 NRI programs, the integration and diffusion of social science and human dimension issues throughout program offerings has been a goal articulated by the Deputy Administrator of Competitive Programs, Dr. Anna Palmisano. This opens the door for policy work that addresses all strategic goals. While additional Research Problem Areas (PAs) may not be necessary to accomplish this, we will need to assist awardees in correctly reporting their policy analyses under existing PAs. As CRIS is improved through the One Solution initiative, as well as unilateral action, new Knowledge Areas (KAs) will be considered to better capture policy work undertaken in competitive- and core-funded programs.

The Current Research Information System (CRIS) database needs to be improved so that it captures more useful information about research being conducted, and CRIS needs to be expanded to capture teaching and extension activities. Furthermore, there is a need to capture the synergy of research, teaching, and extension working together to address important societal concerns.

Response

New, more comprehensive Knowledge Areas (previously Research Problem Areas) have been developed for use in the Current Research Information System. The Agency is also engaged in ongoing work on revising subject of work and field of science/discipline codes, and adding community of interest codes; integration of higher education and extension work using the same codes; a new research and extension electronic Plan of Work reporting system is being introduced in October, 2005. Dr. JH Bahn chaired the CSREES Knowledge Area Classification System Working Group charged with updating the Knowledge Areas, and an *Ad Hoc* Working Group to refine the subject of work, field of science/discipline codes, and community of interest taxonomies and codes.

Using a common taxonomy and common reporting codes for knowledge area, subject of work, field of science and discipline, and community of interest for all three CSREES functions will, for the first time, provide CSREES partners the opportunity to report individual or combined education, research and extension programs and projects in a common system that will make Agency-sponsored work transparent and comprehensible to administrators, National Program Leaders, stakeholders and partners. Knowledge Area Classification codes will be fully integrated in Agency budget requests and justifications. Alignment of the codes with the current strategic goals and objectives will define discrete portfolios that are periodically reviewed by independent outside experts, and internally by NPLs. The portfolio review scores and management recommendations have supported successful performance reviews by Office of Management and Budget for CSREES Strategic Goals. The codes are stable but subject to periodic revision as necessary to fully account for emerging needs, advancements in science, and diverse constituencies, as well as changing priorities and strategic plans.

B. Portfolio 1.1 Markets & Trade Criteria and Scores[3]; Review Panel Comments and Recommendations; and CSREES Responses:

Relevance

Scope [3] – *The wide variety of projects exceeds expectations, but the declining number of undergraduate and graduate degrees awarded in agricultural economics, and declining number of degrees awarded to domestic Ph.D. students in agricultural economics may inhibit future research capacity.*

Response

Market and trade work focuses on defining, clarifying and better understanding the role and functions of markets and their regulation; enhancing marketing methods and practices at the microeconomic (firm) level; and *ex ante* and *ex post* analysis of the economic and social impacts of domestic programs and policies.

A contemporary example of relevance is price monitoring. Economists track and analyze the temporal and spatial components of commodity prices. Basis, the dynamic link between markets,

[3] Numbers in [brackets] indicate the Review Panel's score for each criterion: 1 = does not meet expectations, 2 = meets expectations, 3 = exceeds expectations.

is a critical signal relating local bid prices to futures markets (e.g., Chicago Board of Trade) and terminal and export markets (e.g., Port of New Orleans). Post-Hurricane Katrina, previous Hatch research (Accession No. 0184814) on barge supply shocks on Arkansas price relationships is being used to guide price risk strategies of producers dependent on Mississippi River transport to export loading facilities.

Baccalaureate and graduate degrees in agricultural economics and agribusiness are awarded by about 45 public institutions. Dr. JH Bahn represents the Agency on the American Agricultural Economics Association's Teaching, Learning and Communication (TLC) Section. A major focus of the TLC is enhanced recruitment, especially of highly qualified women and minorities from urban and suburban high schools, into agricultural, food and resource economics baccalaureate programs at land grant institutions. The goal is increased recruitment and improved retention, graduation and placement of well-trained applied economists.

Degrees Awarded in Agricultural Economics, Selected Years

Graduation Year	Baccalaureate	Masters	Doctorate	Total
1991-92	1,487	449	139	2,075
92-93	1,566	425	144	2,135
93-94	1,368	454	166	1,988
94-95	1,346	433	169	1,948
95-96	1,155	425	193	1,773
96-97	1,074	359	137	1,570
97-98	1,120	402	178	1,700
1999-2000	934	337	150	1,421
00-01	900	346	165	1,411
01-02	860	316	135	1,311
02-03	817	168	85	1,070
03-04	670	244	72	986
04-05	754	265	74	1,093

Source: Food and Agriculture Education Information System

A recent trend in agricultural economics higher education programs has been the growth of agricultural business degrees, particularly in the baccalaureate and master's degree. To an extent this has displaced some students from traditional agricultural economics positions, but it has also greatly expanded overall enrollment in the more broadly defined management sciences in a time when career opportunities are projected to continue expanding.

Degrees Awarded in Agricultural Management and Business* 2002 - 2004

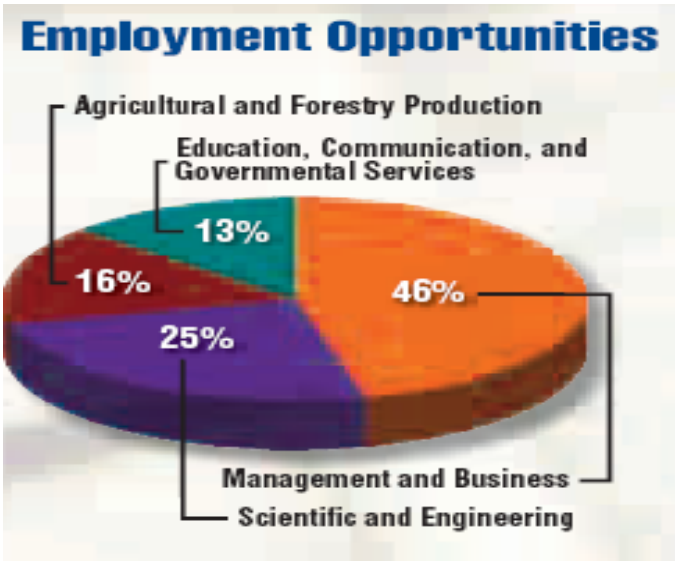
Graduation Year	Associate	Baccalaureate	Masters	Doctorate	Total
2002-2003	37	2,667	332	108	3,144
03-04	23	3,103	458	101	3,691
04-05	85	2,598	369	81	3,133

* Includes Agricultural Business & Management, Agribusiness/Agricultural Business Operations, Agricultural Economics, Farm & Ranch Management, Agricultural/Farm Supplies Retailing &

Wholesaling, Agricultural Business Technology, and Other Agricultural Business & Management.
Source: Food and Agriculture Education Information System

Employment Opportunities in Food and Agricultural Management and Business

An expected 24,000 annual job openings in food and agricultural management and business are projected during the period 2005-2010. Of all projected jobs for college graduates in the food, agricultural, and natural resources system, just under half (46 per cent) are in the food and agricultural management and business occupations. During the same period about 22,000 graduates with expertise in the areas of management and business (including, but not limited to, Agricultural Economics, Farm and Ranch Management, Agricultural/Farm Supplies Retailing and Wholesaling, Agricultural Business Technology, Agribusiness/Agricultural Business Operations, and other Agricultural Business and Management) are projected.
Source: http://www.csrees.usda.gov/newsroom/news/csrees_news/USDA_05_Report2.pdf



Source: http://www.csrees.usda.gov/newsroom/news/csrees_news/USDA_05_Report2.pdf

Recent National Award for Excellence in College & University Teaching in the Food and Agricultural Sciences Recipients

2003 National	Dr. Ronald Hanson, Agricultural Economics University of Nebraska-Lincoln
2003 North Central Region	Dr. Jay T. Akridge, Agricultural Economics Purdue University
2002 National	Dr. Michael Ellerbrock, Agricultural Economics Virginia Polytechnic Institute and State University
	Dr. Michael T. Olexa, Agricultural Law/Econ University of Florida
2002 North-east Region	Dr. Deborah Hale Streeter, Small Business Management Cornell University
2002 West Region	Dr. Cynda R. Clary, Agricultural Marketing New Mexico State University

Source: http://www.csrees.usda.gov/business/other_links/serdteachaward.html

Focus [1] – *The portfolio lacks needed focus on critical issues. Too much attention is given to evaluating existing policy relative to the development of new policies and analysis of policy alternatives. Policy analysis should get relatively more attention in the Markets and Trade section of the NRI; policy analysis should get relatively more attention in other sections of all competitive grant programs (NRI & Sec. 406).*

Response

Policy evaluation of existing policies is typically approached from a comparative perspective and the results are new policy recommendations and policy alternatives. Policy options and practical solutions are central requirements for work done in Market and Trade, and Rural Development within the National Research Initiative. Pending improvements in the reporting system (One Solution and CRIS) should better capture this policy work and distinguish between evaluation of existing policy and identification and evaluation of policy options and alternatives. The CSREES portfolio contains a number of focal areas, including policy. Recent (FY 2003 funding or later) policy research focal areas are summarized in the table below. CSREES funding for policy related projects (Research Problem Areas 610, Domestic Policy Analysis and 611, Foreign Policy and Programs is primarily funded through Hatch, Special Research Grants (congressional), and Other monies. No National Research Initiative funding for policy research was found between 2003 and 2004 in a CRIS search, but 2005 results indicate three policy-related projects: “Public Investment Policy and Industry Incentives in Agricultural and Life Science Research”; “The Impact of Antidumping Regulations on Food and Fiber Trade”; and “North American Trade Suspension Agreements and Winter Tomato Supply Response”. Educational policy activities are accelerating in anticipation of the next round of farm legislation which will be debated in 2007. Topics include maintaining compatibility with the agreements and mandates of the World Trade Organization, decoupling production related subsidies, and revenue protection for producers.

Policy Related Research Projects Funded in 2003 or Later, as Reported in the Current Research Information System			
Institution	Title	Years	Type
Florida	Economics of Managing Invasive Species in Tropical & Subtropical Areas of the US Caribbean Basin	2003-05	Special
Wisconsin	Where is the Social in Regulation of Ag Biotech?	2003-06	Hatch
Washington State	Quantitative Analyses in International. Food & Commodity Markets	2003-06	Hatch
Cornell	Nutrition Policy Analysis	2003-06	State
Iowa State	Food & Agricultural Policy Institute	2003-06	Special
North Carolina St.	Market Risk & US Trade Policy	2003-07	Hatch
Oregon State	Market Structure & Productivity Growth: Implications for Trade & Foreign Investment in Agriculture*	2003-08	Hatch
Texas A&M	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture*	2003-08	Hatch
Michigan State	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture*	2003-08	Hatch
Louisiana State	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture*	2003-08	Hatch
Auburn	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture*	2003-08	Hatch
Arkansas	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture*	2003-08	Hatch
Georgia	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture*	2003-08	Hatch
Michigan State	Consequences of Globalization on Fisheries Resources in the Great Lakes & Other Shared Fisheries	2003-08	Hatch
California Berkeley	Analyzing Non-Governmental Strategies for Regulating the Environmental & Social Impacts of Industry	2003-08	Hatch
Penn State	Economics of the Food & Ag System	2003-09	Hatch
Michigan State	Analysis of the Econ & Political Economy of National & Inter-national Agricultural Policies & Decision Processes	2004-09	Hatch
Rutgers	Economic Analysis of Change: Trade Arrangements, Bioterrorism Threats, & Renewable Fuel Requirements on the US Grain & Feed Sector	2004-09	Hatch
Purdue	Economic Welfare Consequences of Policy & Marketing Regulation Affecting US Commodity Markets	2004-09	Hatch
Purdue	Global Economic Analysis of Trade in Farm & Food Products	2004-09	Hatch
California Berkeley	Prevention or Cure? National Responses to Global Infectious Disease as a Function of Environmental & Agricultural Change	2004-09	Hatch
California Berkeley	Implications for Improved Regional Governance of Fisheries Development & Extractive Industries in the South Pacific & Indian Ocean Region	2004-09	Hatch
California Berkeley	Support for Investment in Scientific Research: Study of Recent Change in the Global Patent System & Potential Reforms	2004-09	Hatch
Missouri	Food & Agricultural Policy Research Institute	2005-06	Special
Iowa State	Agricultural Trade Analysis	2005-07	Other
Iowa State	International Competitiveness & Marketability of Midwest Agri-business Products	2005-07	Special
Nebraska	Economic Analysis of International Agricultural Trade Issues Before the World Trade Organization	2005-09	Hatch

* Multistate research projects

Source: Current Research Information System

Identification of Issues [2] – *Identification of contemporary and emerging issues is good. More could be done to provide incentives for research on emerging issues, such as creating a special category for such issues in the NRI.*

Response

The Agency is currently developing more robust and specifically targeted Requests For Applications, especially for the National Research Initiative and the Small Business Innovation Research programs (emphasis added):

> **SUPPLEMENTAL RFA, INTEGRATED PROGRAMS:** *The supplemental National Research Initiative RFA stated the purpose of NRI Integrated Programs to support research, extension, and education grants that address critical emerging U.S. agricultural and rural issues.* In awarding these grants, priority was given to projects that are: (1) multistate, multi-institutional, or multidisciplinary; or (2) projects that integrate agricultural research, extension, and education. Integrated projects hold the greatest potential to produce and transfer knowledge directly to end users, while providing for educational opportunities to assure agricultural expertise in future generations.
>
> Source: http://www.csrees.usda.gov/funding/nri/pdfs/2003_ann_report.pdf

Former Deputy Administrator for Competitive Programs Dr. Ted Wilson established a procedure for teams to collaborate on development of comprehensive RFAs with clear priorities and foci, and that better integrate the multiple funding authorities available to directly support the USDA, Research, Education and Economics, and CSREES strategic goals and objectives. Collaboration includes teams of National Program Leaders with common topical interests, and provides opportunities for Agency NPLs, and social scientists to offer comments and suggestions in the preparation of common RFAs. Additionally, at the conclusion of each funding year NPLs have the opportunity to review and critique the competitive granting process, identify emerging needs and opportunities, and take corrective action. In lieu of this procedure, the new Deputy Administrators for Economic and Community Systems, Families, 4-H, and Nutrition, and Competitive Programs, Drs. Frank Boteler, Mary McPhail Gray, and Anna Palmisano respectively, have designated a new Social Science Working Group of all agency social science NPLs who will serve in an advisory capacity for issue identification, planning, evaluation, and development of competitive programs. This proposal promises to better diffuse social science and emerging human dimensions issues in agriculture throughout the National Research Initiative offerings and other competitive programs.

Congressional action in 2003 authorized the NRI to commit up to 20% of its budget to integrated activities that weave research, education, and extension efforts into a unified response to critical emerging issues; many of the critical issues identified earlier by IFAFS have been incorporated into existing NRI program descriptions, and ongoing RFA planning will continue to consider critical emerging issues for incorporation into our competitive program solicitations. The NRI has created several new “Coordinated Agricultural Projects” (CAPs) to address agricultural emergencies, such as infectious animal diseases like Johnes, Avian Influenza, and Bovine Spongiform Encephalopathy (BSE). As additional NRI funding becomes available, we have the potential to create a CAP for critical and emerging issues specific to markets and trade, agricultural economics, the social and human dimensions of agriculture, food, the environment and communities.

The Agency explicitly solicits stakeholder feedback and information in every Request For Applications:

> **STAKEHOLDER INPUT:** The Cooperative State Research, Education, and Extension Service (CSREES) is requesting comments regarding this request for applications (RFA) from any interested party. These comments will be considered in the development of the next RFA for the program. Such comments will be used to meet the requirements of section 103(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(c)(2)). This section requires the Secretary to solicit and consider input on a current RFA from persons who conduct or use agricultural research, education and extension for use in formulating future RFAs for competitive programs. Comments should be submitted as provided in the **DATES** portion of this announcement.

The Agency, primarily through Economic and Community Systems NPLs, is fully represented on Multistate Research Committees related to economics, trade and policy related topics, and this additionally helps in the identification and incorporation of critical emerging issues.

Economics Related Multistate Research Committees, and CSREES Representatives

Number	Title	Representative
NC1003	Impact Analysis & Decision Strategies for Agricultural Research	Dr. Bailey
NC1100	Rural Development, Work & Poverty in the North Central Region	Dr. Cunningham Dr. Maggard
NC1013	Economic & Psychological Determinants of Household Savings Behavior	Dr. Schuchardt
NC1014	Agricultural & Rural Finance Markets in Transition	Dr. Schuchardt
NC1016	Economic Assessment of Changes in Trade Arrangements, Bio-terrorism Threats, & Renewable Fuels Requirements on U.S. Grain & Oilseed Sector	Dr. Bailey
NCCC065	Social Change in the Marketplace: Producers, Retailers, Consumers	Dr. Bailey
NCERA194	Improving Management and Effectiveness of Cooperatively Owned Business Organizations	Dr. Bailey
NECC063	Research Committee on Commodity Promotion	Dr. Bailey
S290	Technical &Economical Efficiencies of Producing, Marketing, & Managing Environmental Plants	Dr. Bailey
S1016	Impacts of Trade & Domestic Policies on Competitiveness & Performance of Southern Agriculture	Dr. Bailey
S1019	Fruit & Vegetable Marketing Innovations & Demand Assessment	Dr. Bailey
SAC007	Agricultural Economics & Rural Sociology	Dr. Hunt Dr. Maggard
SERA032	Coordination of Value-Added Activities	Dr. Bailey
W1004	Marketing, Trade, & Management of Fisheries & Aquaculture Resources	Dr. Hunt Dr. Jensen
W1177	Enhancing the Competitiveness of U.S. Meats	Dr. Miller
W1190	Interfacing Technological, Economic, & Institutional Principles for Managing Inter-sector Mobilization of Water	Dr. Hunt Dr. O'Neill
WERA055	Rangeland Resource Economics and Policy	Dr. Hunt
WERA072	Agribusiness Research Emphasizing Competitiveness	Dr. Bailey
WERA101	Assessing the Chinese Market for U.S. Agricultural Products	Dr. Bailey
WERA1001	Reduction of Error in Rural & Agricultural Surveys	Dr. Bailey
WERA1004	Agricultural & Community Development in the American Pacific	Dr. Maggard Dr. Auburn Dr. Tupas

Source: NIMMS

Integration of Functions [3] – *This portfolio has achieved very good integration of research, teaching, and extension. Principal investigators should be given incentives to take more responsibility for extending research results.*

Response

Food, agricultural and resource economics departments are typically well integrated, with most faculty holding joint appointments in research/teaching, research/extension or, less often due to classroom scheduling conflicts, teaching/extension. The nature of applied economics facilitates functional integration not only within the discipline, but also with the other food, agricultural and natural resource and environmental sciences.

More attention to integration accountability is included in Requests for Applications. Increased focus is placed on defining integrated proposals (per recommendations from the Developing and Implementing Integrated Research, Education, and Extension Projects: Lessons from our Partners Workshop, August 2005), also in Hatch project review and approval, and in guidelines for Plans of Work. The Methods Section of all Requests For Applications (typically Section 28 of RFAs) states (emphasis added):

> c. Methods: The procedures or methodology to be applied to the proposed effort should be explicitly stated. This section should include but not necessarily be limited to:
> (1) A description of stakeholder involvement in problem identification, planning, implementation and evaluation;
> (2) A description of the proposed project activities in the sequence in which it is planned to carry them out;
> (3) Techniques to be employed, including their feasibility and rationale for their use in this project;
> (4) Kinds of results expected;
> (5) *Means by which extension and education activities will be evaluated*;
> (6) Means by which data will be analyzed or interpreted;
> (7) *Details of plans to communicate results to stakeholders and the public*;
> (8) Pitfalls that might be encountered; and
> (9) Limitations to proposed procedures.
>
> Source: CSREES Key for Developing RFAs.

The USDA Small Business Innovative Research (SBIR) Program provides opportunities to integrate research and extension. SBIR is a highly competitive grant program for U.S. owned and independently operated for-profit businesses of 500 employees or less. The USDA is one of twelve federal agencies required to reserve 2.5 per cent of research and development dollars for small businesses. National Research Initiative and other CSREES grant recipients are encouraged to transfer the technology developed from their grant to real world applications through the SBIR program. University faculty can serve as Project Directors (subject to certain conditions) or consultants on SBIR grants. Dr. Siva Sureshwaran leads the Markets and Trade SBIR program.

In terms of incentives for principal investigators to extend the results of their NRI research, both the Markets and Trade and Rural Development programs have identified

the "development of a creative dissemination plan" as an evaluation criteria for applications, and prospective applicants are encouraged to include modest estimates for creative dissemination of research results in their project budgets. This requirement is facilitated by the high proportion of social science applicants to the Markets and Trade program who hold joint appointments in research, teaching, and/or extension.

Multidisciplinary Balance [3] – *This portfolio also has a very good mix of work with other disciplines. Further progress would occur if economic analyses were invited in other competitive program areas outside of Markets and Trade in the National Research Initiative.*

Response

Greater emphasis is being provided to the integration of social science issues in other competitive program areas outside of Markets and Trade in the NRI beginning FY 2007. Dr. Anna Palmisano, Deputy Administrator of Competitive Programs, has identified integration of social sciences as a priority in the preparation of RFA for FY 2007.

The FY2006 RFA indicates the growing number of NRI programs that now solicit economic analyses as part of their portfolio: Human Nutrition and Obesity, Food Safety, Animal Health, Soils, and Small Farms, in addition to Markets and Trade, and Rural Development. The Integrated Programs component of the NRI has potential for increased inclusion of the social sciences proposals, as well as more social science proposal reviewers. The latter are being solicited. The new Social Science Working Group will also likely influence future solicitations for economic analyses, social inquiry, and human dimensions components in other competitive programs within the NRI.

Quality

Overall Quality of Research [1] – *CSREES needs to work closely with land-grant universities to assure the highest quality research and education, communicate its strength within the scientific community, and revitalize the land-grant mission of high quality service to the Nation.*

Response

CSREES has identified National Program Leaders who will serve as liaisons to each state to facilitate communication and responsiveness of the agency to our Land-Grant partners. We have engaged in a structured, ongoing, system-wide discussion and debate about the future of the Land-Grant system and how CSREES can facilitate and respond effectively, and we are part of the efforts of NASULGC and CARET to revitalize the land grant mission and services.

Addressing Critical Emerging Issues [2] – *The National Research Initiative (NRI) should set aside a portion of its funds (perhaps 10 percent) to address critical emerging issues, while allowing NRI to continue funding its ongoing lines of research. Proposals submitted for critical emerging issues could be interdisciplinary and multifunctional (research-teaching-extension).*

Response

Congressional action in 2003 authorized the NRI to commit up to 20% of its budget to integrated activities that weave research, education, and extension efforts into a unified response to critical emerging issues; many of the critical issues identified earlier by IFAFS have been incorporated into existing NRI program descriptions, and ongoing RFA planning will continue to consider

critical emerging issues for incorporation into our competitive program solicitations. The NRI has created several new "Coordinated Agricultural Projects" (CAPs) to address agricultural emergencies, such as infectious animal diseases like Johne's, Avian Influenza, and Bovine Spongiform Encephalopathy (BSE). As additional NRI funding becomes available, we have the potential to create a CAP for critical and emerging issues specific to markets and trade, agricultural economics, the social and human dimensions of agriculture, food, the environment and communities.

Significance of Outputs [2] – *Stakeholder needs are being met; however, relatively more attention should be given to projects that emphasize the "public good" rather than "private good."*

Response

The public good focus is being addressed in common Requests For Applications for competitive grants, and in guidance for extension and research Plans of Work beginning with the new procedure to be introduced October, 2005. In addition, the guidance of the single NRI-RFA for social science proposals encourages investigators to examine long term impacts and measure the aggregate societal benefits that serve the broad public good. Finally, the portfolio reviews of all CSREES programs maintain the focus on public good outcomes and impacts.

An example of service to the public marketplace is the inclusion of land grant economic analyses and forecasts of market activity. Dow Jones compiles pre-report estimates of quarterly USDA-National Agricultural Statistics Service livestock and commodity reports to gauge market expectations prior to release of the official reports. These estimates are typically made by commercial trading and consulting firms, but Dow Jones also relies on selected public sector forecasts in compiling market expectations (for example, it Dow Jones' production of the September 2005 Hogs and Pigs Pre-Report Estimates sources). These sources included the Livestock Market Information Center (a public sector organization, funded in part by CSREES) and University of Missouri (public sector, funded in part by CSREES), as well as forecasts by commercial firms including AG Edwards & Sons, Allendale, Inc., Bob Brown, Frontier Risk Management, Kropf & Love Consulting, Rosenthal Collins, and U.S. Commodities.

Stakeholder Assessment [3] – *Stakeholder input is at a high level, but there are times when some stakeholders have more influence than they should. CSREES and Land-Grant Universities need to do a better job of communicating stakeholder needs to individual faculty.*

Response

Information from the Council for Agricultural Science and Technology (CAST), the Council for Agricultural Research, Extension, and Teaching (CARET), the National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEAB), the National Association of State Universities and Land-Grant Colleges (NASULGC) and other stakeholders is routinely provided to nearly 150 Agricultural Economics Department Heads and administrators via the CSREES list-server agecon-heads@lyris.csrees.usda.gov. A similar list server, usdaecon@lyris.csrees.usda.gov, serves 275 USDA agricultural economists in all agencies. Likewise, the agency maintains list servers for an array of social sciences that contribute to this portfolio. NPLs from CSREES serve as liaison to the ESCOP Social Science Subcommittee whose membership represents department chairs and members of the five traditional social science programs in the Colleges of Agriculture, agricultural economics, rural sociology, agricultural education, agricultural communication, and family ecology/family and consumer

sciences. Additionally, NPLs actively participate and contribute to the American Agricultural Economics Association, the Rural Sociological Society, the Association for Agricultural Education (and Communication), the Agriculture, Food, and Human Values Society, where they present CSREES displays, conduct grant and funding opportunities workshops, communicate science trajectories and solicit input for program design, and convey stakeholder needs to science faculty from land-grants institutions and other research, education, and outreach/extension providers.

Alignment with Current Science [2] – *The alignment is generally good. Competitive grant projects (e.g., NRI) are more reflective of current science than are core-funded projects. The Panel is concerned that social scientists are much more critical than other scientists when judging competitive grant proposals; hence, a smaller proportion of proposals is deemed to be fundable. We are concerned that the phenomenon not be used as a signal to decrease funding allocated to this area at a time when socioeconomic issues increasingly drive the U.S. policy agenda reflecting citizens' concerns and needs.*

Response

Formula Funded Projects

The NPL review and approval of 25 incoming Hatch research proposals, including Multi-State, (see table below), and Evans-Allen research proposals received throughout 2005 suggests that the proposed projects do reflect the current of science, and that appropriate theoretical and contemporary methodologies, including experimental markets, prediction markets, and contingent valuation and conjoint analysis for neoteric products, are being employed in the area of markets and trade. Several newly approved Hatch projects focus on developing survey data derived from primary data sources for use in marketing and trade research.

Marketing and Trade Related Hatch Research Proposals Received and Approved, January – September 2005

Title	Awardee	Start Date	Multi State
Impact Analysis & Decision Strategies for Agricultural Research	Dr. J. Foltz Wisconsin	01 Oct 01	NC- 1003
Fruit & Vegetable Marketing Innovations & Demand Assessment	Dr. J. Brooker Tennessee	01 Oct 03	S- 1019
Fruit & Vegetable Marketing Innovations & Demand Assessment	Dr. U. Toensmeyer Delaware	01 Oct 03	S- 1019
Fruit & Vegetable Marketing Innovations & Demand Assessment	Dr. D. J. Decker Cornell	01 Oct 03	S- 1019
Fruit & Vegetable Marketing Innovations & Demand Assessment	Dr. C. DeVuyst North Dakota St.	01 Oct 04	S- 1019
Innovation, Entrepreneurship & New Ventures in Agriculture & Natural Resources	Dr. H. C. Peterson Michigan St.	01 Jun 05	
Business Strategies Used by Non-Urban Small Retailers Competing with Large Corporate Retailers	Dr. T. Christiansen Arizona	01 Jul 05	
WTO Accession & China's Agricultural Trade Liberalization	Dr. J. Gilbert Utah St.	01 Jul 05	
Global Agribusiness Trade & Marketing Research	Dr. D. Weatherspoon Michigan St.	01 Aug 05	
Examination of Market Conditions & Hawaii Consumers' Attitudes Toward Organic Cotton Products	Dr. S. Lin Hawaii	01 Aug 05	

Visual Approach to Assessment of Brand Personality & Its Relationship to Brand Equity for Apparel & Home Furnishings Products	Dr. M. Sullivan Auburn	30 Sep 05	
Commodity Market Modeling: Theory & Applications	Dr. B. Wright UC Berkeley	01 Oct 05 Revised	
Managing and Marketing Environmental Plants for Improved Production, Profitability and Efficiency	Dr. J. Brooker Tennessee	01 Oct 05	S- 1021
Managing & Marketing Environmental Plants for Improved Production, Profitability & Efficiency	Dr. H. Mathers Ohio St.	01 Oct 05	S- 1021
Managing & Marketing Environmental Plants for Improved Production, Profitability & Efficiency	Dr. J. S. Kuehny Louisiana St.	01 Oct 05	S- 1021
Managing & Marketing Environmental Plants for Improved Production, Profitability & Efficiency	Dr. J. Dennis Purdue	01 Oct 05	S- 1021
Managing & Marketing Environmental Plants for Improved Production, Profitability & Efficiency	Dr. K. M. Kelly Penn St.	01 Oct 05	S- 1021
Forecasting Economic Time Series	Dr. A. Inoue North Carolina St.	01 Oct 05	
Contracting in Agriculture: Testing Theories About Incentives, Risk Aversion, & Asymmetric Information	Dr. T. Vukina North Carolina St.	01 Oct 05	
Consumer and Agribusiness Decision Making with Primary Data	Dr. J. Lusk Oklahoma St.	01 Oct 05	
Locally Grown Food: Consumer Preference, Retailer Attitudes & Marketing Strategies	Dr. Q. Wang Vermont	01 Oct 05	
International Trade in the Agricultural & Manufacturing Sectors	Dr. I. Kandilov North Carolina St.	01 Oct 05	
Risk Management and Marketing of Arkansas Commodities	Dr. A McKenzie Arkansas	01 Oct 05	

Competitive Grants Programs

The administration of a competitive grants program for the applied social sciences creates a number of unique challenges. The NRI competitive grants program run by CSREES has an applicant pool crossing more than 20 academic disciplines. Proposals also come from a high number of 1890, 1994, small- and mid-size, and EPSCoR institutions. In addition, other aspirants, such as non-profit organizations, come from outside the academy. Thus, these programs receive applications that can vary widely in vocabulary, quality and capacity.

Currently NRI program leaders spend a lot of time courting broad participation in their competitions in a concerted effort to break down disciplinary silos and encourage more robust and multidisciplinary applications. However, the increasing complexity of proposals and increasing proportion of novice applicants with a wide variety of disciplinary approaches and expectations had created a lop-sided portfolio of applications. A portfolio in which a few high merit proposals rose to the top, but the majority languished near the bottom as unfundable and noncompetitive. For example, in 2004 54% of applications received the rating of “Do Not Fund”.

Consequently, CSREES has closely monitored the relative rankings of NRI proposals since 2002. During their July 2004 meeting, the review panel saw evidence of the low ranking of social science applications by their peers in 2002 that may demonstrate harsh self-evaluations by these disciplines. NPLs have responded to this problem in a number of ways:

- They have held informational sessions to sensitize individual reviewers, review panels, and social science professional organizations to the consequences of their generally harsh

evaluations that create a competitive disadvantage for the social sciences in award funding, publication, promotion, and tenure.

- They proposed a series of problem-solving workshops on these topics at professional society meetings.
- They organized and presented the 2005 American Agricultural Economics Association symposium on proposal preparation, review, and communication (Organized Symposia # 136799 "Social Science Research Competition: Small Fish in a Big Pond, or Small Fish in a Small Pond," by Drs. S. Sureshwaran and JH Bahn) that addressed the issue of peer review of agricultural economics competitive grant proposals.
- They clarified the expectations for proposal design in the solicitation for competitive programs.
- They conducted more than 10 grant-writing and funding opportunity workshops to prospective social science applicants to the NRI to improve the overall quality of submissions. And,
- They encouraged the social science departments and disciplines to increase faculty training regarding academic standards for proposal-writing and the conduct of research. Additional symposia and discussions are planned for future professional meetings and perhaps at the regional agricultural economics association meetings.

As a result of these efforts, NPLs documented a marked improvement in the relative ranking of Markets and Trade (M&T) proposals during the four year monitoring period. While the percent of M&T proposals rated as "Outstanding," "High Priority," and "Medium Priority" hovered near the bottom of all NRI programs in 2002, ranking 25th of 27 program competitions in 2002, that relative ranking climbed to 28 of 31 in 2003 and 27 of 31 in 2004 and then jumped to 19 of 34 competed programs by 2005. This represents a rise from the 7^{th} percentile in 2002, the base-line year, to the 10^{th}, 13^{th}, and 44^{th} percentiles respectively from 2003 to 2005.

There is no evidence about whether the relatively low rankings of social science applications in 2002, or the marked improvements in ranking since, have been factored into budget decisions for the social science programs or the commitment of CSREES and the NRI to funding "*socioeconomic issues [that] increasingly drive the U.S. policy agenda reflecting citizens' concerns and needs.*" That said, the social science programs within the NRI remain one of the smallest programs in terms of annual investment. At $2.2 million annually, the Markets and Trade program is ranked 33rd of 36 funded programs in FY2005, with only the single award CAP program and joint-investments with other federal agencies being funded at lower levels.

Thus, CSREES recently decided to offer NRI Markets and Trade and Community Development competitions on alternate years, with the competition for the former beginning in FY 2007 and the one for the latter beginning in FY 2006. The annual funding level for each program will be maintained, that is, each biannual competition will include 2 years' funding for each program. This will give the Markets and Trade budget $4.4 million in FY2007. This decision is obviously "funding neutral" and is a serious attempt to increase the number and funding success rate of viable proposals submitted every two years. However, it may have some institutional ramifications.

The clear goal of this decision is to have institutions submit fewer, but better proposals. However, it is unclear what the entire impact from this decision will be. There is some concern, that it could have potentially negative impacts to the quality of social science submissions for the following reasons:

- It may constrict the funding opportunities for time-sensitive research;
- It may make it difficult for prospective applicants to anticipate future research trajectories;
- It may discourage resubmissions of promising proposals; and,
- It may abandon the commitment to capacity-building through AREA and strengthening awards, as fewer of these will be competitive under alternate funding and a protracted timeframe (i.e. new investigators will only qualify during 2 of their 5 years of eligibility).

The NRI is also currently considering another programmatic change that could markedly improve the quality of social science applications, program administration, and the agricultural markets and trade portfolio in general. This is the introduction of pre-proposal letters. This would eliminate the added labor many applicants expend preparing non-competitive proposals and free program leaders to invest their energies in administration of a high quality portfolio while they build future quality and capacity. While we expect an even higher level of participation in pre-proposal submissions, the reduced number of full applications would be of higher quality and the success rate would markedly improve.

Finally, CSREES is more actively recruiting social scientists to serve on peer review panels for all CSREES competitive grant programs. And there has been an increasingly well articulated commitment to greater social science integration throughout the NRI that should accelerate this process, since social science representation is especially important for comprehensive and objective review of NRI Integrated Program proposals.

CSREES is currently waiting to see what the net effect of these changes on the social science portfolio will be. These issues are significant and we firmly believe future reviewers of this portfolio should pay close attention to their consequences.

Appropriate Methodology [2] – *Current and appropriate methodologies are used in research, teaching, and extension.*

Response

The need for appropriate methods is specified in all CSREES Requests for Applications, and is a selection criterion considered by all peer review panels ranking proposals. Future RFAs for Integrated Programs (teaching, research, and extension) will specify the need for current appropriate teaching, research, and extension methods, as per recent recommendations from the Developing and Implementing Integrated Research, Education, and Extension Projects: Lessons from our Partners Workshop, 30 August 2005, at CSREES Headquarters in Washington, DC. See above response, Alignment With Current Science; also see Integration of Functions, above.

Performance

Portfolio Productivity [3] – *The portfolio has visibility despite few leadership resources devoted to it.*

Response

To increase attribution of Portfolio 1.1 outputs, Agricultural Economics and related department heads, principal investigators, and journal editors have all been reminded of the critical importance of including appropriate attribution statements for all CSREES-funded outputs (See Portfolio Accountability, below). The ESCOP Social Science Subcommittee and C-FARE have improved the visibility of all social science projects. Likewise, CSREES works closely with the

Markets, Trade, and Economics Division of the Economic Research Service and with the USDA Risk Management Agency to maintain high visibility for this portfolio.

Portfolio Completeness and Timeliness [2] – *Most projects are completed on time. However, Hatch research projects should be monitored more closely for achieving goals by expected completion dates. Furthermore, some Hatch projects may be allowed to continue for too many years.*

Response

One year no-cost extensions are a fairly common phenomenon in all types of publicly-funded research, due to the uncertain nature of the flow of outputs and research results. The CSREES Terms and Conditions clearly state that such extensions may be routinely granted at the discretion and request of the grant recipient institution without having CSREES prior approval (see http://www.csrees.usda.gov/business/awards/awardterms.html). ECS has increased monitoring of economics (600 series Research Problem Area) related Hatch and other funded projects as reported in CRIS, and we have improved post-award management throughout CSREES.

CSREES Guidance [1] – *There is an immediate need for leadership in the area of economics (Economic and Community Systems Deputy Administrator and economics NPLs). It is incomprehensible that economics programs have been allowed to languish with declining leadership of economists over the last five years. There is also a need to strengthen overall strategic leadership in economics programs across the portfolio. Economists could make significant contributions to addressing critical agricultural and societal issues and should be fully engaged with other NPLs.*

Response

A new Economic and Community Systems Deputy Administrator was hired in April 2005, and a new ECS Markets & Trade National Program Leader was assigned in May 2005. With the departure of an ECS Program Specialist to begin Ph.D. study in agricultural economics, the unit has received approval to refill the position.

ECS National Program Leaders work more closely with other CSREES units, especially Plant and Animal Systems, Natural Resources and Environment, Families, 4-H and Nutrition, and Competitive Programs. The advisory capacity of the new Social Science Working Group should also strengthen leadership, coordination, and collaboration in the area of economics. Similarly, social science leadership will potentially be strengthened for the 20 plus other disciplines represented by this portfolio.

The ECS unit has increased CSREES presence in American Agricultural Economics Association, including use of the CSREES Display at the annual AAEA meeting, sponsoring an organized symposium, and the election of the newly assigned Markets and Trade NPL to the AAEA Extension Section Board.

The ECS NPLs continue to review, approve and monitor multi-state and special research projects, and serve as CSREES liaisons to regional economics committees. We have expanded links with the USDA Economic Research Service, for example by co-funding and preparing a publication on the Future of Animal Agriculture, in cooperation with the Farm Foundation.

Guidance regarding the revised configuration of the National Research Initiative Markets and Trade programs was distributed directly to Agricultural Economics department heads as soon as

administrative decisions were made to help them anticipate changing program needs and priorities.

National Program Leaders responsible for this portfolio have increased their attendance, participation, and sponsorship of meeting sessions for CSREES-funded projects, conducted recent surveys of past awardees to elicit subsequent impacts of their research, accelerated the collection and dissemination of publication and presentation materials resulting from award projects, increased the number of site visits to ongoing projects, and are currently organizing Project Director meetings to bring awardees together to network, foster synergies, and train in impact assessment and reporting. Pending budget constraints may slow progress toward these efforts however.

Portfolio Accountability [1] – *There is a critical need to be able to report outputs and impacts according to criteria established by CSREES for meeting OMB requirements, and a need to effectively communicate the impact of CSREES programs to all stakeholders via scholarly and stakeholder-oriented communication channels. Teaching and extension activities need to be included. An improved post-award evaluation process needs to be implemented.*

Response

There has been significant progress made towards improving the reporting of outputs and impacts. Three technological initiatives and an organizational one have taken place in this area. "One Solution" a government-wide federal access and reporting system with a non-redundant, single-point-of-entry processing is now coming on-line. The two other new efforts include the development of "eXtension;" and the electronic extension plan of work reporting system. In conjunction with the creation of new Knowledge Area categories - a common taxonomy and reporting codes for all three CSREES functions – these innovations provide a means of more quickly and precisely producing reports for individuals in combined higher education, research, and extension programs in an integrated manner. This is expected to make Agency-sponsored and funded work much more transparent and comprehensible to partners, lawmakers, and the public.

Over the past several years CSREES has been steadily refining its post-award management processes and procedures, along with the development of specific Customer Service Standards and new National Program Leader Guidelines for Reviewing Hatch, McIntire-Stennis, Evans-Allen, and Animal Health and Disease Proposals.

An effort is underway to inform all NRI and other CSREES awardees, plus Agricultural Economics department heads, faculty, journal editors, and representatives of the 20+ disciplines that contribute to this portfolio of the requirement for attribution of CSREES funding in published work. (Refer to Exhibit # for sample text of notification email/letter.)

IV. Reference to updates of the self-review paper

A. Inclusion of standard introduction

B. Updates of spending tables, etc.

Exhibit 1

Funding Tables for Portfolio 1.1

Table A: Funding for KA 603 – Market Economics

Funding Source	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
Hatch	2,306	2,434	2,068	1,673	1,471	9,952
McIntire-Stennis	148	167	154	76	71	616
Evans Allen	131	134	153	109	172	699
Animal Health	0	0	0	0	0	0
Special Grants	1,364	1,747	1,539	1,775	1,098	7,523
NRI Grants	219	256	33	367	78	953
SBIR Grants	0	131	99	149	98	477
Other CSREES	1,357	540	549	1,126	978	4,550
Total CSREES	5,525	5,409	4,595	5,274	3,967	24,770

Table B: Funding for KA 603 – Market Economics

Sources of funding	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
CSREES	5,525	5,409	4,595	5,274	3,967	24,770
Other USDA	1,246	1,152	833	711	374	4,316
Other Federal	634	548	716	862	491	3,251
State Appropriations	10,884	9,694	10,322	7,842	6,841	45,583
Self Generated	369	408	345	569	572	2,263
Independent/GR Agreement	1,451	1,443	1,311	808	889	5,902
Other Non-Federal	845	845	1,106	1,035	1,006	4,837
Total KA xxx	20,954	19,500	19,227	17,101	14,140	90,922
CSREES as % of Total	26.4%	27.7%	23.9%	30.8%	28.1%	27.2%

Table C: Funding for KA 604 – Marketing and Distribution Practices

Funding Source	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
Hatch	1,659	1,665	1,676	1,563	1,229	7,792
McIntire-Stennis	43	150	132	138	112	575
Evans Allen	319	364	349	481	484	1,997
Animal Health	0	0	0	0	0	0
Special Grants	2,154	2,684	2,004	1,695	2,236	10,773
NRI Grants	575	399	192	219	180	1,565
SBIR Grants	313	412	537	152	515	1,929
Other CSREES	4,838	2,552	541	553	301	8,785
Total CSREES	9,901	8,227	5,430	4,802	5,057	33,417

Table D: Funding for KA 604 – Marketing and Distribution Practices

Sources of funding	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
CSREES	9,901	8,227	5,430	4,802	5,057	33,417
Other USDA	1,202	1,193	1,390	770	659	5,214
Other Federal	1,773	773	925	1,165	816	5,452
State Appropriations	7,472	7,250	7,420	6,535	5,769	34,446
Self Generated	254	294	359	283	298	1,488
Independent/GR Agreement	1,088	1,116	954	838	935	4,931
Other Non-Federal	436	632	506	707	894	3,175
Total KA xxx	22,125	19,484	16,985	15,101	14,428	88,123
CSREES as % of Total	44.8%	42.2%	32.0%	31.8%	35.0%	37.9%

Table E: Funding for KA 610 – Domestic Policy Analysis

Funding Source	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
Hatch	1,016	1,132	1,561	1,435	1,649	6,793
McIntire-Stennis	104	132	199	174	262	871
Evans Allen	121	131	47	305	252	856
Animal Health	0	0	0	0	0	0
Special Grants	1,766	847	1,214	3,052	2,812	9,691
NRI Grants	426	211	216	329	24	1,206
SBIR Grants	0	0	0	0	0	0
Other CSREES	199	570	862	738	1,124	3,493
Total CSREES	3,633	3,023	4,098	6,033	6,123	22,910

Table F: Funding for KA 610 – Domestic Policy Analysis

Sources of funding	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
CSREES	3,633	3,023	4,098	6,033	6,123	22,910
Other USDA	1,150	752	1,445	1,261	945	5,553
Other Federal	1,324	803	949	700	1,010	4,786
State Appropriations	5,609	5,495	6,748	6,861	6,434	31,147
Self Generated	288	323	288	246	366	1,511
Independent/GR Agreement	1,585	1,038	702	655	728	4,708
Other Non-Federal	664	546	774	769	966	3,719
Total KA xxx	14,252	11,980	15,004	16,525	16,573	74,334
CSREES as % of Total	25.5%	25.2%	27.3%	36.5%	36.9%	30.8%

Table G: Total Funding for KA 603, 604, and 610

Funding Source	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
Hatch	4,981	5,231	5,305	4,671	4,349	24,537
McIntire-Stennis	295	449	485	388	445	2,062
Evans Allen	571	629	549	895	908	3,552
Animal Health	0	0	0	0	0	0
Special Grants	5,284	5,278	4,757	6,522	6,146	27,987
NRI Grants	1,220	866	441	915	282	3,724
SBIR Grants	313	543	636	301	613	2,406
Other CSREES	6,394	3,662	1,952	2,417	2,403	16,828
Total CSREES	19,059	16,659	14,123	16,109	15,147	81,097

Table H: Funding for KA 603, 604, and 610

Sources of funding	Fiscal Year *(in thousands)*					
	2000	2001	2002	2003	2004	**Total**
CSREES	19,059	16,659	14,123	16,109	15,147	81,097
Other USDA	3,598	3,097	3,668	2,742	1,978	15,083
Other Federal	3,731	2,124	2,590	2,727	2,317	13,489
State Appropriations	23,965	22,439	24,490	21,238	19,044	111,176
Self Generated	911	1,025	992	1,098	1,236	5,262
Independent/GR Agreement	4,124	3,597	2,967	2,301	2,552	15,541
Other Non-Federal	1,945	2,023	2,386	2,511	2,866	11,731
Total KAs 603, 604, 610	57,331	50,964	51,216	48,727	45,141	253,379
CSREES as % of Total	33.2%	32.7%	27.6%	33.1%	33.6%	32.0%

C. Evidence gathered since the last review in terms of new studies, evaluations, etc.

Exhibit 2

Portfolio 1.1. Present Areas of Focus in Markets and Trade, PA 603 and 604, and Domestic Policy Analysis, PA 610
Global Competitiveness
Market Performance
Marketing Strategies
Marketing Alternatives
Merchandising
Value Chain Management
Feasibility of Production-Marketing Alternatives
Consumer Preferences and Behavior
Financial Performance of Marketing Firms
Policy Analysis
Environmental Policy
Rural Development Policy
Farming-Related Agricultural Policy
Food Policy
Trade Policy

Exhibit 3

As per CSREES guidelines from Competitive Programs Deputy Administrator Dr. Anna Palmisano:

November 12, 2004
Dear NPL's,

As you know, **we need to increase the visibility of CSREES funded research**. So, I would like each of you to take a few minutes to send the following message to all of your Project Directors/Principal Investigators. I have found that sending an e-mail with acknowledgement language that PI's can "cut and paste" into documents greatly increased compliance.

Please select the appropriate language provided below for your competitive program (NRI, or SBIR, or 2501, or OASDFR). Just delete program language that does not apply.

I also include a copy of the CSREES logo to send to PI's to use in acknowledgements in presentations and posters.

I appreciate your help in trying to increase the visibility of our highly successful CSREES programs.

Anna

Dear Project Director,

Proper acknowledgement of your CSREES funding in published manuscripts, presentations and press releases is critical for the success of the agency's programs. Please use the following language to acknowledge CSREES support in your manuscripts, as appropriate:

The project was supported by the National Research Initiative of the USDA Cooperative State Research, Education and Extension Service, grant number #.
OR
The project was supported by the Small Business Innovation Research program of the U.S. Department of Agriculture, grant number #.
OR
The project was supported by the Community Food Projects program of the USDA Cooperative State Research, Education and Extension Service, grant number #.
OR
The project was supported by the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers program of the USDA Cooperative State Research, Education and Extension Service, grant number #.

I also encourage you to use the CSREES logo below for the acknowledgement slide of your power point presentations or posters at meetings.

Sincerely,

(name),
National Program Leader for (program).

Emerging and Future Directions

Response to changing commodity programs, market structure and exogenous shocks.

Market impacts of market, social, political and public health disturbances (COOL, BSE, terrorism, adverse WTO filings, and invasive species).

Interaction of policy and markets.

Global agreements, trade, and international policy impacts resulting from the actions of other countries.

Consumer-driven agriculture and the emerging importance of the retail sector in shaping or controlling markets, especially supply chain behavior in response to anticipated and existing demand.

Increased integration of marketing with plant and animal production, food & non-food bio-based products.

Broader integration with other multi-state projects.

D. Evaluation plans and results
- Inclusion of missing Logic Models; updates
- Identification of the key evaluation questions
- Identification of Performance measures and evaluation data
- New results data
- Inclusion of customized relevance, quality, and performance discussion.

E. Inclusion of new BPI, PART, etc. Long Term and Annual Measures

V. 2005 Self score for Goal 1 portfolio

The original score of the external review panel for the entire Goal 1 portfolio was 75. The score from the internal review of just Portfolio 1.1 in November 2005 was 83.

VI. Summary

In response to the recommendations of the Objective 1.1 Portfolio Review Panel CSREES has taken a number of comprehensive steps to enhance the quality, relevance and performance of the Markets and Trade portfolio.

Most importantly, aggressive steps have been taken to enhance Agency leadership in the economics arena. A new Deputy Administrator was hired and a new National Program Leader was assigned. CSREES visibility and participation in the American Agricultural Economics Association has been improved.

The CSREES OneSolution effort is substantially improving the grants application, reporting and data management, and the Current Research Information System is being through the use of more comprehensive reporting taxonomies and coding systems that include higher education and extension work. Post award management of funded activities is being improved, and a thoroughly revised plan of work process is being introduced.

Newly funded research is more carefully monitored to ensure state of the art methods are employed, and for continued relevance, outputs, impacts, and visibility. Annual and termination CRIS reports are monitored to ensure that work progresses in a satisfactory manner, that outputs are documented, and that actions are completed on time, and that impacts are assessed, captured, and reported.